



STATE OF MICHIGAN

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## **Governor Signs General Government Budget, Includes \$182 Million Revenue Sharing Cut**

*Granholm Encourages State House to Protect First Responders*

LANSING – Governor Jennifer M. Granholm signed into law today the fiscal year 2005 General Government budget bill that includes the \$182.3 million reduction in statutory revenue sharing payments to local governments approved by state lawmakers. In signing the bill, Granholm called on the State House of Representatives to finish work on the budget by acting on a proposal that would provide full funding for city and county first responders around the state.

“Our revenue sharing proposal, which was passed by the Senate on a bipartisan vote, preserves funding for law enforcement and first responder efforts without raising taxes,” said Governor Granholm. “The budget is balanced. At issue now is how the revenue sharing payments will be distributed. It is now up to the State House to pass our proposal that protects jobs of first responders and protects families by fully funding local units of government.”

If the House of Representatives fails to pass the revenue sharing proposal or an acceptable alternative, the budgeted statutory revenue sharing funds will be distributed under the existing revenue sharing formula. The existing formula reductions would result in cuts of over 40 percent for all counties in the state and cuts as high as 52 percent for Michigan cities.

Revenue sharing payments provide funding for local services, primarily police and fire protection services. Funding for local governments will be preserved at current year levels if the House of Representatives pass Senate Bills 1111 and 1112, which authorize the changes in the property tax schedule.

As approved by state lawmakers, House Bill 5517 includes funding for the departments of Attorney General, Civil Rights, Civil Service, Information Technology, Management and Budget, State, Treasury, the Executive Office, and the Legislature. The General Government bill includes \$1.1 billion for revenue sharing payments to local units of government, which is a

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\$182.3 million reduction in statutory payments. The budget totals \$2.6 billion, \$335 million of which is general fund.

The other departmental budgets in the legislation largely reflect Governor Granholm's recommendations.

"These budgets responsibly cut government spending while allowing these departments to continue to provide the necessary services citizens deserve to maintain their quality of life," said Governor Granholm.

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